

Project-level Collaboration: Snohomish County and City of Everett

The Courthouse Project Management Team is appreciative of the professional interaction, substantive communication, and specific guidance provided by multiple representatives of the City of Everett over the course of the Courthouse planning process. Meetings have been well attended and communication has been both prompt and thorough on all topics associated with the Courthouse Project. Below is a summary of the meetings with the City of Everett which have occurred prior to and since the approval of Courthouse Option C by the County Council on November 23, 2013.

No.	Date	Meetings with the City of Everett
1	March 13, 2013	Meeting with the City: Project Team and COE Planning meet to review planned project
2	April 8, 2013	Meeting with the City: Project Team and COE Planning meet to discuss downtown plan and building setbacks
3	July 21, 2013	Meeting with the City: Project Team and COE Planning meet to discuss site options – including Option C (the current project), which would remove surface parking
4	Sept. 4, 2013	Meeting with the Deputy Mayor: clarified that no public parking was included in any of the project options
	<i>Nov 23, 2013</i>	<i>County Council Approves Option C (no parking requirements identified)</i>
5	Dec 10, 2013	Meeting with the City: Courthouse project – review of Option C
6	Dec 18, 2013	Meeting with the City: Project Team and COE Planning meet to review alley vacation
7	Apr 15, 2014	Meeting with the City: Project Team and COE Planning meet to review pre-application submittal information
8	Sep 25, 2014	Meeting with the City: Project Team and COE Planning meet to review permitting, SEPA, parking, and traffic
9	Oct 9, 2014	Meeting with the City: Project Team and COE Planning meet to review building code
10	Oct 15, 2014	Meeting with the City: Project Team and COE Planning meet to review parking and traffic
11	Dec 22, 2014	Delivery to the City: SEPA Application – Environmental Checklist
12	Dec 23, 2014	Delivery to the City: SEPA Application – Design Review
	<i>Dec 24, 2014</i>	<i>City Council passes Ordinance #3420-14</i>



Please note the last three dates above. There has been misinformed speculation that the County intentionally accelerated the SEPA application submittal in an attempt to vest the project under the then current B-3 zoning which did not require parking. To be clear, the SEPA application was submitted in the normal course of the project schedule and entitlement process. The forms which we received from COE Planning in a September 25, 2014 meeting—was originally scheduled for submittal on November 19th. The submittal date was delayed due to the magnitude of the documents that needed to be assembled.

The 1,185-page final draft of the Phase 1 Environmental Site Assessment was not completed until December 19th and we delivered the full submittal on December 23rd. Further, the County made a courtesy call to the Planning Department informing them that we would be submitting the SEPA submittal and invited them to be present to review the completeness of the application if they so choose to be present. To suggest, speculate, or conclude that the County sought to vest the project using the SEPA submittal as a vehicle to mitigate the new, targeted parking ordinance is incorrect. Submitting the SEPA application is on the critical path for the project.

At no time over the past 2+ years was it communicated to the Courthouse Project Management Team that parking was required, requested, or even preferred. To the contrary – all conversations recognized the fact that the City’s B-3 zoning did not require additional parking, that the courthouse was a replacement building, and as such would generate no additional staff or “customer” parking requirements.

At no point did the Project Management Team suggest to the City of Everett that additional parking would be included in the Courthouse Project, other than secured parking for judges and elected officials who would work in the new building. In fact, the Courthouse plans submitted to the City for the April 15, 2014 pre-application meeting show only the secured parking—as do the plans Heery International presented to the County Council on August 26, and December 3, 2014.

“...current code does not require parking for any new development in the downtown area. The City is not concerned if the parking on this site is removed.”

“The parking lot seems to be sparsely used during the day.”

—July 21, 2013 minutes, meeting with COE Planning

“(The) agreement between the County and the Arena only applies to the underground garage, not to the parking lot that has been selected for the new courthouse.”

—Dec. 10, 2013 minutes, meeting with COE Planning

Multiple traffic analyses in support of this have been shared with City planners. ***The new emergency Ordinance #3420-14 passed by the City Council on 12/24/2014, conflicts with ongoing communication and coordination between the Courthouse Project Management Team and City Planning staff.*** This consists of multiple meetings, planning and development documents, recorded meeting minutes, and email correspondence over the past 2+ years.



The Courthouse Project Management Team is disappointed by this last-minute change of direction mandated by the City Council. It seems reasonable that this requirement could have been communicated at any of a number of meetings or email exchanges over the past 2+ years, allowing the County Team to work jointly with the City to resolve the issue.

Response to Council's Issuance of RFP for Project Oversight

The Project Management Team is aware of the solicitation for Courthouse Construction Consulting Services dated January 16, 2015. The deliverables and tasks listed within the RFP are currently being performed and produced by the Project Management Team and can be provided to the Council, with no additional cost incurred by the County, the taxpayers, or the project. The team suggests a more robust monthly Council update combined with periodic 3rd party financial audits to optimize project oversight without incurring unnecessary costs.

Transparency has been a keystone of the project since its inception. Meetings, briefings, and project information have been provided and made readily available throughout the duration of the project. The Project Management Team has maintained an open-door policy with all project participants and County leadership.

The County has capable expertise committed to the Courthouse project. The Team is eager to demonstrate this capability and highlight what has been achieved in the planning and management of the Courthouse. In response to recent media attention, it is important for the Council, public, and media to be re-introduced to the project team:

- **Heery International** – a nationally recognized architectural firm specializing in courthouse programming and design through the United States. Heery has been engaged in every facet of the project from day one and, with the Council's approval, became the lead architect in July, 2014. The design team includes the following sub-consultants:
 - **MKA** – an internationally recognized structural and civil engineering firm, headquartered in Seattle. MKA has designed projects in 46 states and 53 countries and is regarded by many to be one of the best firms in the world at what they do. Structural and civil design features are critical components of a courthouse facility.
 - **Sparling** – based in Seattle, Sparling is the largest specialty consulting and electrical engineering firm in the United States. With a 68-year legacy of leadership, the firm's 130 seasoned professionals work collaboratively to deliver design excellence in their own backyard and on a national stage.
 - **WSP Group** – an internationally recognized mechanical engineering firm with innovation in energy-efficient design. WSP was recently ranked the best service engineer in the world by the top 100 global architects.
 - **Hinman** – a San Francisco-based threat risk management firm specializes in courthouse, embassy, and airport projects.
- **Hoffman Construction Company** – a Northwest-based GCCM with 93 years of experience on private and public projects, including the Seattle Justice Center, Olympia City Hall, Brightwater, and the Boeing 777 Facility. On Hoffman's team are:



- **VECA** – a Seattle-based ECCM firm founded in 1946. Clients include many local municipalities, Federal Reserve, several branches of the U.S. DOD, and the Department of Homeland Security.
- **Holiday-Parks** – a Northwest MCCM firm with 120 years of experience in the public and private sectors, including the Seattle Justice Center, UW Molecular Engineering Building, and the Microsoft Data Center at the Bravern.
- **OAC Services, Inc.** – a Seattle-based firm observing its 60th anniversary in 2015. OAC specializes in construction and project management for large GCCM projects. OAC has provided Owner's representative services on seven federal, county, and city courthouses as well as city hall projects in the Northwest. OAC has managed over \$2 billion in alternative delivery projects and has performed successfully on more GCCM projects in the State of Washington than any other firm. OAC Principal, Dan Chandler, is here to expand upon OAC's unique expertise, and their role in this project.

SCOPE

The Project Team has worked diligently and in unison to overcome some early challenges and arrive at what the Team collectively believes to be a well-designed and financially sound project. The early programming of the project included intensive meetings with the building user groups to identify space needs, occupancies, functional uses, and adjacency needs of users. We identified and integrated post-911 threat risk assessment impacts, secure parking, and incorporated the three required and separate circulation nodes for the building occupants, the public, and those being held in detention.

The Value Analysis Study had a dramatic and positive effect on the project scope. Led by an independent certified value specialist, and applying the Society of American Value Engineers (SAVE) VA Job Plan over an intensive 5-day breakout session, the Team developed solutions that resulted in the most efficient use of space and massing of the building. The result has been a better building for less cost. As part of the VA Study, the Team also hired an independent consultant to provide 3rd party cost and schedule analyses, which enabled more visibility and improved discussion regarding pricing and task durations.

Lastly, the Team has integrated a valuable and intelligent balance of Sustainability, Hardening, and Critical Facility elements that serves the secure nature of a courthouse while also reducing the energy, maintenance, and operational costs of the building over time.

The Team has worked hard to develop what we believe to be an outstanding design that is within budget and includes the appropriate contingencies in place to mitigate potential risks.

Potential Scope Impacts Attributable to Parking Ordinance No. 3420-14:

The requirement to provide 300+ parking stalls presents few viable options either logistically or financially. Introducing parking (other than the secure parking already included) into the current Courthouse design is not recommended for security reasons. Adding parking decks on top of the existing County garage is not desirable because the structure would be visually imposing and unattractive. None of these options can be implemented within the existing Courthouse project budget.



SCHEDULE

The overall project schedule was initially conceptualized with “float time” to account for unforeseen issues and conditions. As we progress through planning and design, the team has tightened forecasted dates and improved predictability of key milestones including final construction completion. Significant near-term project milestones which will have a cascading effect on the overall project schedule are quickly approaching in the coming months:

Task Name	Duration	Start	Finish
Design Development Phase	195 days	Mon 9/29/14	Fri 6/26/15
SEPA	65 days	Tue 12/23/14	Mon 3/23/15
Utility Relocation	126 days	Mon 1/5/15	Mon 6/29/15
Alley Vacation	86 days	Mon 11/24/14	Mon 3/23/15
Early Construction Packages To County Council	80 days	Wed 3/18/15	Wed 7/8/15
Hazmat Abatement, Demolition & Shoring	TBD days	Wed 3/18/15	Wed 3/18/15
Foundation & Structural	TBD days	Wed 7/8/15	Wed 7/8/15

Potential Schedule Impact Attributable to Parking Ordinance No. 3420-14:

As previously noted in past Council updates, delay costs associated with market escalation will be incurred should the start of construction be pushed back. We have stated that the estimated cost impact equates to \$193,000 per month of delay based solely on direct construction costs and does not include additional soft costs. This amount was calculated by Hoffman Construction Company using an annual construction escalation of 2.5% applied to labor, equipment, materials and MACC contingency.

Not included in the number above, are escalation costs for design, management, FF&E, bonding, insurance, permits, etc. These added costs are more difficult to quantify. For example, if the project were put on hold, the design and management professionals who are currently working on the project must find other work. Some of these professionals will be permanently re-assigned to other projects and will not be available to return to the Courthouse project once it starts back up. The resulting project brain-drain is difficult to quantify as is the overall cost of managing a well-planned project shut-down and re-start that will minimize impact to the scope, schedule, and budget.

It is important to note that the design and construction schedules are inextricably tied together in order to time the submission of documents for permitting, bidding, and commencement of construction. Any delay has an impact on basically every facet of the process. In analyzing the schedule impact now facing the project, Heery, Hoffman, and the County have determined that the construction start date could be in jeopardy if the SEPA application is not accepted by the City of Everett by February 19th.

To further illustrate the reality of potential delay impacts, our budget is carrying a \$525,000 SD Delay Contingency line item attributable to the project time lost due to the substitution of the PA/Civil with the Sheriff's Department. The cost impact, if any, will not be fully known until the Design Development estimate is completed. The cost to redesign the entire eighth floor with a different user group is currently being compiled and will be submitted as an additional service request.

New Snohomish County Courthouse

Project Update Report #9: January 26, 2014



Snohomish County

BUDGET

The Project Management Team has performed substantive internal budget reviews, team budget summits, and 3rd party cost analyses. The Owner is carrying the appropriate contingency amounts and the GCCM has accounted for escalation, market conditions, and MACC/risk contingencies in their cost estimating. The Value Analysis Study completed in September 2014, included intensive review of GCCM pricing which included negotiation of unit pricing as appropriate. Detailed estimate analysis further enabled the Team to promote improved design approaches based on agreed-upon pricing. As part of the study, the team also performed a risk assessment. The Team is currently planning an updated risk assessment summit, including detailed risk registry with mitigation strategies. Mitigation strategies will include the carrying of additive alternates—items of scope that may be easily added or deleted from the project depending on budget availability. One example of an additive alternate may be screening of the mechanical systems on the roof.

Below are two graphs illustrating major budget components as of December 31, 2014:

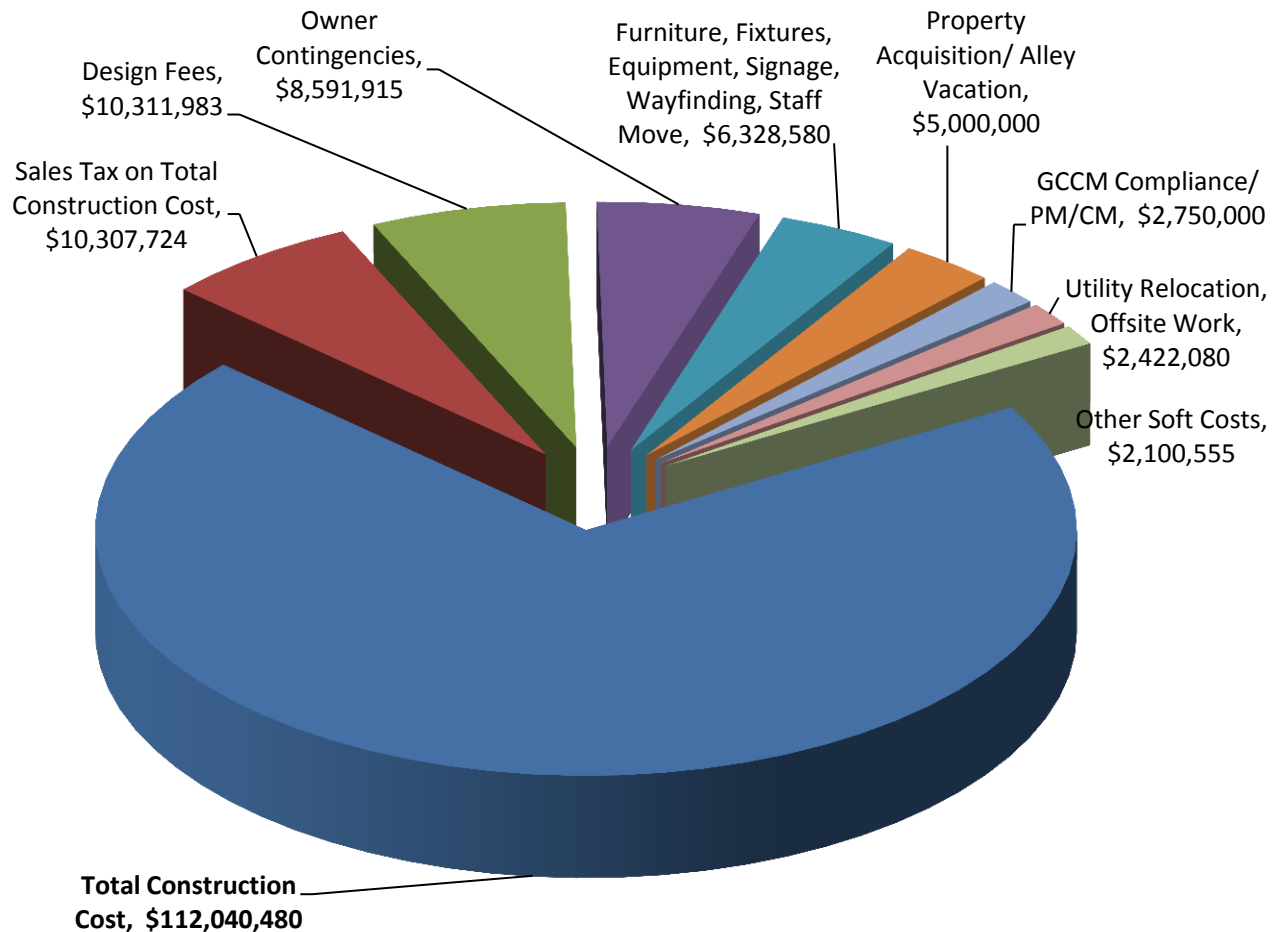
31-Dec-14					Budget	Spend	
DAC	Category / Description	Qty	unit	Unit \$	Current Budget	Paid To Date	Yet to Spend
GCCM Costs							
DAC	GCCM Direct Costs						
	Direct Costs:	253,000	sf	\$ 339.12	\$ 85,797,895	\$ -	\$ 85,797,895
6005	Subcontractor Bonding	253,000	sf	\$ 5.73	\$ 1,450,545	\$ -	\$ 1,450,545
6005	Negotiated Support Services	253,000	sf	\$ 15.75	\$ 3,983,531	\$ -	\$ 3,983,531
6005	MACC Contingency	253,000	sf	\$ 26.67	\$ 6,746,722	\$ -	\$ 6,746,722
6005	Escalation Allowance	253,000	sf	\$ 13.75	\$ 3,479,372	\$ -	\$ 3,479,372
6005	Market Conditions Allowance	253,000	sf	\$ 2.68	\$ 679,033	\$ -	\$ 679,033
6005	General Allowances	253,000	sf	\$ 1.98	\$ 500,000	\$ -	\$ 500,000
6005	Insurance, Bonds, and Taxes	253,000	sf	\$ 3.12	\$ 788,500	\$ -	\$ 788,500
6005	Risk Contingency (2% on sub work)	253,000	sf	\$ 7.86	\$ 1,988,842	\$ -	\$ 1,988,842
	Subtotal:	253,000	sf	\$ 77.54	\$ 19,616,545	\$ -	\$ 19,616,545
	Max Allowable Const Contract (MACC):	253,000	sf	\$ 416.66	\$ 105,414,440	\$ -	\$ 105,414,440
	GCCM General Conditions and Fee						
6005	GCCM Specified General Conditions	253,000	sf	\$ 4.89	\$ 1,237,900	\$ -	\$ 1,237,900
6004	GCCM Preconstruction Services	253,000	sf	\$ 6.30	\$ 1,593,220	\$ 419,857	\$ 1,173,363
6005	GCCM Fee @ 3.6%	253,000	sf	\$ 15.00	\$ 3,794,920	\$ -	\$ 3,794,920
	Subtotal:	253,000	sf	\$ 26.19	\$ 6,626,040	\$ 419,857	\$ 6,206,182
	Total Construction Cost (TCC):	253,000	sf	\$ 442.85	\$ 112,040,480	\$ 419,857	\$ 111,620,622
6005	State Sales Tax on TCC	9.2%			\$ 10,307,724	\$ 38,627	\$ 10,269,097
	Total With Sales Tax:	253,000	sf	\$ 483.59	\$ 122,348,204	\$ 458,484	\$ 121,889,720
Project Soft Costs and Owner-direct Work							
DAC	Owner Direct Work						
	Owner Work Subtotal:	253,000	sf	\$ 122.74	\$ 31,053,198	\$ 6,471,290	\$ 24,581,909
	Owner Project Contingency	7.20%			\$ 8,066,915		\$ 8,066,915
	SD Delay Contingency (Sheriff ILO Civil)	0.47%			\$ 525,000		\$ 525,000
	Subtotal Soft Costs:	253,000	sf	\$ 156.70	\$ 39,645,113	\$ 6,471,290	\$ 33,173,823
	Subtotal Project Costs:	253,000	sf	\$ 640.29	\$ 161,993,317	\$ 6,929,774	\$ 155,063,543

New Snohomish County Courthouse

Project Update Report #9: January 26, 2014



Snohomish County



THE PROJECT MANAGEMENT TEAM

Existing Courthouse Project Management Work-in-Progress:

The Project Management Team recognizes this is a large and complex project of utmost importance to the County, and that all the work in support of this project may not be readily apparent. Below are many of the tasks and deliverables which keep the team busy:

- Ongoing coordination and planning meetings –Project Management (internal), Design Progress Review (with Architect and GC), Budget and Cash Flow (internal), Budget Summits (with Architect and GC), FF&E (Furniture, Fixtures and Equipment), AV/IT (Technology), Public Relations, Courtroom User Groups, Courtroom Bench Mock-up Testing, City of Everett, and Snohomish County PUD, among others.
- Promote optimum communication and coordination among all project participants who make themselves available to be communicated and coordinated with.
- Project schedule development and tracking.

- Continual alignment of project scope to budget.
- Update Council on activities twice per month—summary of work accomplished, work in progress, planned work, funds expended to date, and impacts to scope, schedule, and budget.
- Documentation and tracking of project risks.
- Development and tracking of project-specific accounting codes in coordination with internal Snohomish County accounting codes.
- Review and approval of Contractor and professional consultants' invoices.
- Extensive communication and participation with the Prosecuting Attorney and outside counsel on entitlements (i.e., SEPA, permits), land use, property acquisition, contracts and amendments, procurement (i.e., Requests for Proposals/Qualifications), and fee negotiations.
- Ongoing coordination of utility relocation with Snohomish County PUD.
- Identification and resolution of security-related policies and operational procedures.
- Courthouse design is being aligned with the County's Sustainable Operations Action Plan (SOAP).
- Identification, cost analysis, and prioritization of sustainability, hardening, and critical facility components of the project.
- Coordinate with the County Communications Director on updates to the project's public website.
- Development and maintenance of a comprehensive SharePoint project management website accessible to all project participants. Enables the organization, collaboration, archiving, and tracking of all project documentation.

The next project phase is Design Development in which the detail design work is finalized and the project is ready for the preparation of Construction Documents. It is estimated that Design Development will take approximately 5 months. Hoffman Construction will prepare early bid packages for key construction elements in order to secure favorable pricing and expedite construction timelines.

Project Tasks Completed or in-Progress:

- SEPA Planned Action and Land Use application submitted to City of Everett on December 22, 2014. Over 1,100 pages of data.
- Freezing the floor plans by January 29th, so that the engineers can continue further development work on the structural, mechanical, and electrical features of the building.
- Heery International will be conducting Design Development meetings on Campus on February 24th and 25th.
- Extensive documentation and tracking of project action items through the project-specific tracking log—285 of 310 items have been completed to-date.
- Total project spend to date: \$6.9MM as of December 31, 2014.
- Project scheduled for completion in 2018.
- Phase 1 Environmental Site Assessment (ESA) completed, and included in SEPA submittal package.
- Traffic Impact Analysis completed, and included in SEPA submittal package.
- Design Review application submitted to City of Everett on December 23, 2014.
- Approval of floor plan layouts by all courthouse occupants.
- Completion of all property acquisition process requirements, negotiations, and purchases.
- Detailed risk assessment, including risk registry, and risk mitigation planning.

New Snohomish County Courthouse

Project Update Report #9: January 26, 2014



Snohomish County

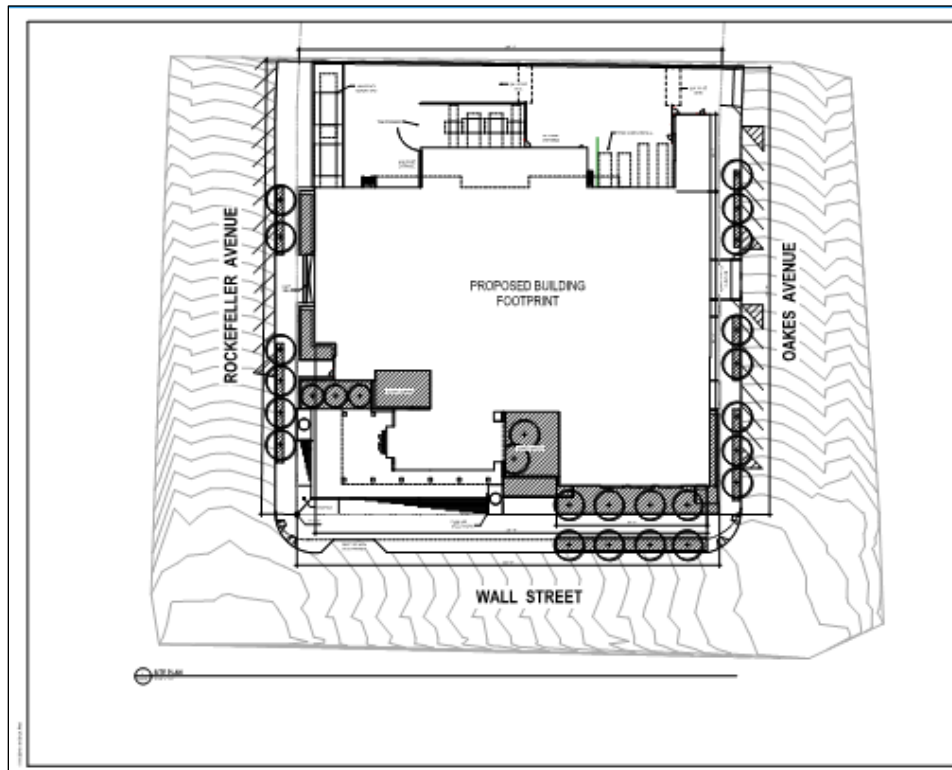
- Value Analysis study and report completed in September 2014, at roughly 30 % design completion.
- Constructability review, at roughly 90% design completion.
- Schematic Design and Cost Estimate updated and confirmed within budget.
- Planning and budgeting with Snohomish County PUD regarding relocation of utilities.
- Final round of onsite Courtroom mock-up reviews at the Carnegie Building.
- Formal SnoCo comprehensive Project Management Plan developed and completed.
- Ongoing meetings with selected building occupants to refine detailed design work.
- Multiple cost and budget “summits” throughout the past year to enable effective cost analysis and visibility to potential risks.
- Furniture, Fixtures, & Equipment planning, including scope and budget alternatives, and the associated coordination with the building room numbering and way-finding scheme.

New Snohomish County Courthouse

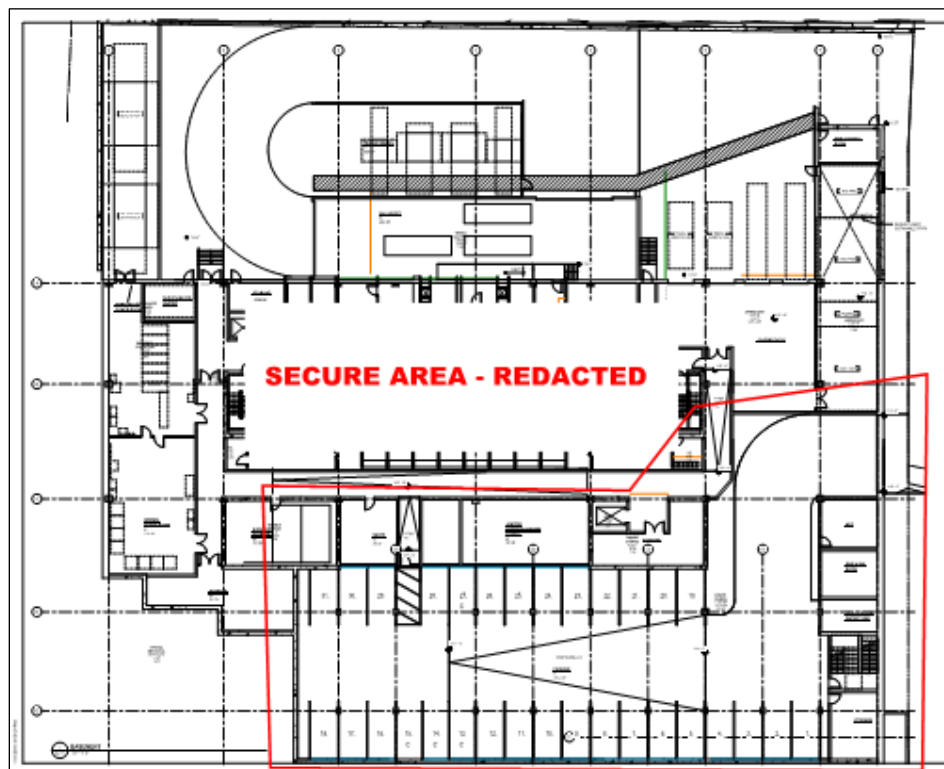
Project Update Report #9: January 26, 2014



Snohomish County



Excerpt from plan set submitted as part of pre-application on April 15, 2014.



Secured parking (highlighted) in plan set submitted as part of pre-application on April 15, 2014.

New Snohomish County Courthouse

Project Update Report #9: January 26, 2014



Snohomish County



SEPA submittal package, plus 2 copies of the Phase I ESA for County's records.



SEPA submittal package, as delivered to the City.